

February 14, 2002

EXTENDED CARE FUND (36X4032)

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides financial policy and procedures for the Department of Veterans Affairs Extended Care Fund. ***NOTE:** There is established, as of November 30, 1999, in the Treasury of the United States, a revolving fund known as the Department of Veterans Affairs Extended Care Fund.*

2. BACKGROUND: Public Law (Pub. L.) 106-117, the Veterans Millennium Health Care and Benefits Act, established the Department of Veterans Affairs Extended Care Fund (see Title 38 United States Code (U.S.C.) 1710B). This Act authorized the establishment of a new, no-year revolving fund whose revenue would come from co-payments for providing extended care services for certain non-service connected veterans. The Secretary of Veterans Affairs will develop a methodology for establishing the amount of the co-payment for which the veteran is liable. Co-pay regulations are pending administrative and Congressional approval.

3. POLICY: It is VHA policy that amounts in the Department of Veterans Affairs Extended Care Fund must be available, without fiscal year limitation and without further appropriation, exclusively for the purpose of providing extended care services.

4. ACTION: VHA is authorized to:

a. Provide, directly or through contract, extended care services to include: geriatric evaluation; nursing home care, domiciliary services, adult day care, respite care and such other non-institutional alternatives to nursing home care defined as non-institutional geriatric evaluation, non-institutional respite care, and adult day care. ***NOTE:** Extended care and/or long-term care (LTC) can be provided in either institutional or non-institutional settings.*

b. Collect co-payments from non-service connected veterans, with income above a specified income level.

(1) Co-payments will commence after 21 days of care are provided in a calendar year. In addition, an annual limitation on total amount of co-payments allowable will be established.

(2) Amounts collected will be deposited into the newly established Extended Care Fund, 36X4032.

(a) This is a no-year account and funds will remain available until expended.

(b) Amounts collected will remain with the facility collecting the funds and will be used exclusively for the purpose of providing extended care services in facilities operated by the Secretary of Veterans Affairs or in a community-based facility under contract.

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(c) Medical care cost centers are valid in this account, and all activities associated with providing extended care are valid, with the exception of employee travel.

(3) Six new revenue codes have been established in the Financial Management System (FMS) on the Revenue Source Code (RSRC) Table. These new codes are as follows:

(a) 8GZZ LTC – Adult Day Health Care.

(b) 8HZZ LTC – Domiciliary.

(c) 8IZZ LTC – Respite-Institutional.

(d) 8JZZ LTC – Respite-Non Institutional.

(e) 8KZZ LTC – Geriatric Evaluation-Institutional.

(f) 8LZZ LTC – Geriatric Evaluation-Non Institutional.

5. REFERENCES: Public Law 106-117, Section 101.

6. FOLLOW-UP RESPONSIBILITY: The VHA Chief Financial Officer (173) is responsible for the contents of this directive.

7. RESCISSIONS: None. This VHA Directive expires January 31, 2007.

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